



AGENDA

The Facts
Getting Started
Saving
Texa\$aver Advisor Service
Distribution Options
Account Information

THE FACTS

- Most financial advisors say you'll need about 70% of your pre-retirement earnings to comfortably maintain your pre-retirement standard of living.¹
- More people are living longer and healthier lives than ever before.
- Social Security may not be enough.
- Don't forget about inflation.

¹ Source: <http://www.socialsecurity.gov/planners/benefitcalculators.htm>, November 2016

THE FACTS

Three sources of retirement income:

1. Employee Retirement (ERS Retirement Program)
2. Social Security
3. Texa\$aver 401(k) and 457 plans (IRA or other personal savings and investments)

The “three-legged stool”



The Texa\$aver 401(k) / 457 Program

Saving through the Texa\$aver Program puts you in control of your retirement.

- Before-tax traditional and/or after-tax Roth contribution options
- Automatic payroll deduction
- Eligibility for Saver's Tax Credit
- Manage account online or by phone
- Roll over previous IRAs, 401(k) or 457 accounts¹
- Access to professional investment advice²
- Purchase service credit
- Defer unused annual leave
- Flexible distribution options

¹ You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

² Texa\$aver Advisor Service offered by Advised Assets Group, LLC (AAG), a registered investment adviser.

GETTING STARTED

Enrolling in the Plan

1. Speak with an Educational Representative
2. Online at **www.texasaver.com** or by calling **(800) 634-5091**
3. Complete an enrollment form
 - Found on **www.texasaver.com** or by calling **(800) 634-5091**
 - Mail to: Empower Retirement
P.O. Box 173764
Denver, CO 80217-3764

GETTING STARTED

Rollover or Transfer

Eligible plans for rollover or transfer:

- Qualified plan
 - Prior eligible employer's 401(k), 401(a), 403(b) or government 457
- IRA*
- Roth rollovers from other qualified plans, excluding Roth IRAs

Two ways to roll over or transfer:

Call the National Customer Service Center at **(800) 634-5091**

Mail or fax the completed **Transfer/Rollover Forms¹**

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

* You can only rollover an IRA if you have a qualifying event.

1. Select a plan

- 401(k) plan
- 457 plan
- 401(k) and 457 plans

2. Determine a contribution type and Amount

- Before-tax traditional
- After-tax Roth

3. Choose your investment options

- Target date funds
- Core investments
- Self-directed brokerage account

The Texa\$aver 401(k) Plan

The Texa\$aver 457 Plan

Contribute a percentage or dollar amount per month

10% federal penalty for distributions made before age 59½

No early withdrawal penalty¹

Past age 59½ in-service withdrawal

N/A

Available to part-time and full-time state employees

Available to part-time and full-time state and higher education² employees

Age 50 and Over Catch-up contributions

Age 50 and Over Catch-up contributions PLUS Special 457 Catch-up provision³

Purchase ERS service
Purchase TRS service (but only if eligible for a distribution)

Purchase ERS and TRS service

1 Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½.

2 Available to all four-year institutions and some community colleges.

3 The Age 50+ Catch-Up provision and the Special Catch-Up provision cannot be used in the same calendar year.

SAVING

403(b) Plan

	403(b) Plan
Eligibility	Part-time and full-time higher education employees, upon date of hire or anytime thereafter. <u>Excludes</u> state employees.
Contribution Options	Contact your 403(b) administrator to see what is allowed.
Maximum Annual Deferral	99% of 403(b) eligible compensation or \$18,000 per year, whichever is less. The 2017 annual contribution limit is \$24,000 if you are 50 or older.
Tax Penalties	A 10% federal penalty tax may apply to distributions made before age 59½. A 50% federal tax penalty applies if RMDs are not taken at age 70½, unless you are still employed with the employer sponsoring the plan.

2017 minimum

- 401(k) and 457: 1% or \$20

2017 maximum

- \$18,000 or 99% of allowable compensation, whichever is less
- Age 50 and Over Catch-up = additional \$6,000 for both plans
- 457 plan allows for Special 457 Catch-up provision
 - Subject to eligibility
 - Special Catch-up limit is \$18,000 for unused deferrals, in addition to the \$18,000 you may contribute under the standard limit
 - Only available during the three years prior to the taxable year in which you reach normal retirement age
- May contribute maximum to both plans

Amounts for 2018 and beyond may be adjusted for inflation.

SAVING

Before-tax Traditional vs. After-tax Roth

	Before-tax Traditional	After-tax Roth
Is my contribution taxable in the year I make it?	No	Yes
Is my contribution taxed when distributed?	Yes	No
Are the earnings, if any, on my contributions taxed when distributed?	Yes	No, provided the distribution occurs after age 59½, death or disability and at least five years after your first contribution
If I roll over non-Roth money from other accounts into my Texa\$aver account, will I pay taxes?	No	Yes, you will pay ordinary income taxes on the rollover amount

SAVING

Contributing More Could Make a Difference

You are automatically enrolled in the 401(k) plan at 1%, but increasing your contribution over time could make a difference.

12 Pay Periods Annually

For 24 pay periods, double the dollar amounts for each column (except Contribution Per Pay Period)

Contribution		10 Years		20 Years		30 Years	
Per Pay Period	Annual Amount	Contribution	Potential Growth	Contribution	Potential Growth	Contribution	Potential Growth
\$50	\$600	\$6,000	\$8,194	\$12,000	\$23,102	\$18,000	\$50,226
\$75	\$900	\$9,000	\$12,291	\$18,000	\$34,653	\$27,000	\$75,339
\$100	\$1,200	\$12,000	\$16,388	\$24,000	\$46,204	\$36,000	\$100,452
\$150	\$1,800	\$18,000	\$24,582	\$36,000	\$69,306	\$54,000	\$150,677

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes 12 pay periods per year and an effective annual return of 6%, compounded monthly, with reinvestment of earnings and no withdrawals. The illustration does not reflect any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted. Rates of return may vary.

SAVING

Competitive Cost to Participate

Administrative fee structure per plan

- Administrative fees apply separately to before-tax traditional and Roth after-tax contributions.¹
- The Program is not funded by the State. Fees for before-tax and Roth assets are assessed separately using the same fee schedule to pay for the administration and record keeping of the Program.

Account Balance	Monthly Fee per Participant per Account per Contribution Type
\$10.00 or less	No fees
Between \$10.01 and \$1,000.00	\$1.18
Between \$1,000.01 and \$16,000.00	\$3.99
Between \$16,000.01 and \$32,000.00	\$6.00
Between \$32,000.01 and \$48,000.00	\$8.17
Between \$48,000.01 and \$64,000.00	\$10.89
\$64,000.01 and more	\$13.62

¹ Texa\$aver fees are assessed on the entire balance of your account (Core and PCRA combined).

SAVING

Choose Your Funds – Core Funds

Cash alternatives

- BlackRock Short-Term Investment Fund

Bond funds

- BlackRock Bond Index Fund¹
- Barclays Capital 1-3 Yr Gov Bond Index F

Stock funds

- AB All Market Real Return Portfolio Fund
- Vanguard Wellington Adm Fund
- Davis New York Venture A Fund
- Vanguard Institutional Index Fund
- Vanguard Growth Index Fund Instl
- First Eagle Fund of America Y
- Victory Munder Mid-Cap Core Growth Fund
- Lord Abbett Small Cap Value Fund I
- Fidelity Diversified International Fund

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

¹ The BlackRock US Debt Index Non-Lendable Fund F name has been revised to the BlackRock Bond Index Fund, with permission from the fund manager, for use with the Texa\$aver Program.

LifePath® Portfolio Index Funds

- Texa\$aver offers LifePath® Portfolio Index Funds to make investing easier.
- The date in a target date fund represents an approximate date when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.¹

Who might consider target date funds?

- People who don't have the time, interest or information to choose the right asset mix for their situation.
- People who don't want to actively manage their retirement money.

¹ Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. Asset allocation does not ensure a profit and does not protect against loss in declining markets. For more information, please refer to the fund prospectus and/or disclosure document.

SAVING

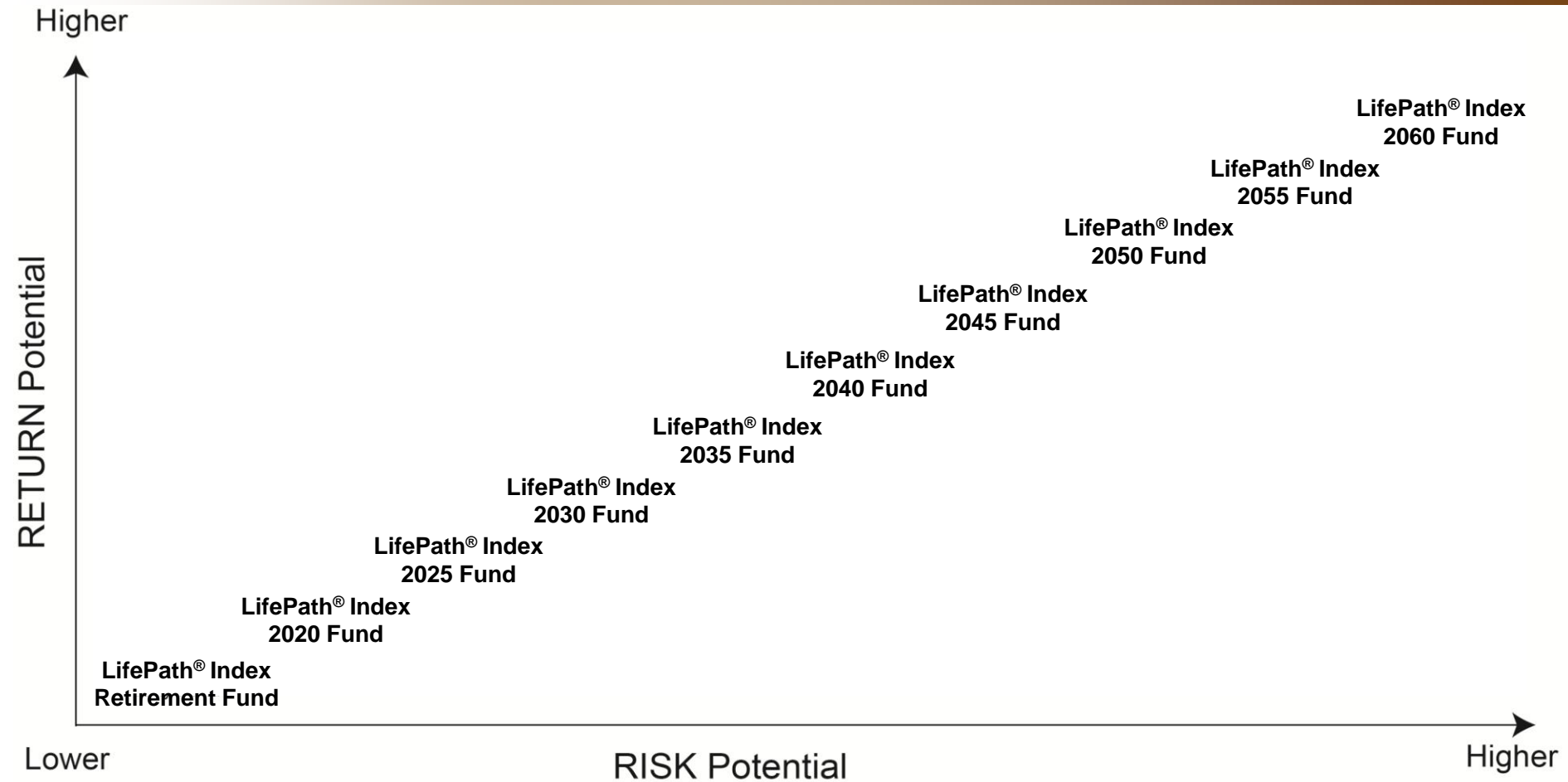
Choose Your Funds: Target Date Funds

If you were born:	And plan to retire at age 65, consider:
12/31/1952 or earlier	LifePath® Index Retirement Fund F
1/1/1953 – 12/31/1957	LifePath® Index 2020 Fund F
1/1/1958 – 12/31/1962	LifePath® Index 2025 Fund F
1/1/1963 – 12/31/1967	LifePath® Index 2030 Fund F
1/1/1968 – 12/31/1972	LifePath® Index 2035 Fund F
1/1/1973 – 12/31/1977	LifePath® Index 2040 Fund F
1/1/1978 – 12/31/1982	LifePath® Index 2045 Fund F
1/1/1983 – 12/31/1987	LifePath® Index 2050 Fund F
1/1/1988 – 12/31/1992	LifePath® Index 2055 Fund F
After 1992	LifePath® Index 2060 Fund F

FOR ILLUSTRATIVE PURPOSES ONLY. The chart shown is only intended as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed.

SAVING

Choose Your Funds: Target Date Funds



FOR ILLUSTRATIVE PURPOSES ONLY. The LifePath® Portfolio Index Funds are based on an investment strategy based on risk and return. This is not intended as financial planning or investment advice. The allocations for the funds are subject to change.

Investment Management Fees¹

- Fees are deducted from the investment return of the fund.
- Fees are included in daily fund pricing.
- Certain funds may impose redemption fees and/or transfer restrictions.
- Some investment options give voluntary and/or contractual reimbursements.
- View the management fees charged for each investment option on the Investment Performance document located under the Investments tab on **www.texasaver.com**.

Target date funds may be subject to a fund operating expense at the target date fund level, as well as a prorated fund operating expense fee for each underlying fund. For more information, please refer to the fund's prospectus.

¹ Each fund has its own fund operating expenses that vary depending on the investment options you select.

Schwab Personal Choice Retirement Account® (PCRA)

- For more experienced investors
- Access to 4,700 mutual funds
- Offers expanded choices of mutual funds, stocks, bonds and fixed-income investments
- \$500 minimum requirement in core funds
- Fee per electronic trade: \$6.95
- Fees for options: \$6.95, plus 70 cents per contract
- Fees for broker-assisted trades: electronic commission plus \$25

Schwab Personal Choice Retirement Account® is a registered trademark of Charles Schwab & Co., Inc.

PROSPECTUS

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from www.texasaver.com under “Investments” or by requesting one from your Texa\$aver representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact your SDB provider. Read them carefully before investing.

TEXA\$AVER ADVISOR SERVICE

Texa\$aver Advisor Service

(provided by Advised Assets Group, LLC, a registered investment adviser)

No fee to you

Online Investment Guidance

- Self-service
- Generic asset allocation
- Personal retirement planning
- Savings strategy
- Available online
- No additional fee

No fee to you

Online Investment Advice

- Self-service
- Fund-specific recommendations
- Personal retirement planning
- Savings strategy
- Available online
- No additional fee

Managed Account

- Full service
- Fund-specific selection and management
- Personal retirement planning
- Savings strategy
- Available online and by phone
- Fees apply

There is no guarantee that participation in any of the advisory services will result in a profit or that the account will outperform a self-managed portfolio invested without assistance.

*Online Investment Advice is offered to you, the participant, without a fee since the fee is paid by Texa\$aver.

TEXA\$AVER ADVISOR SERVICE

Managed Account Fees (Full-Service Investment Help)

Account Balance	Monthly Fee
<\$100,000	0.0375%
Next \$150,000	0.0292%
Next \$150,000	0.0208%
>\$400,000	0.0125%

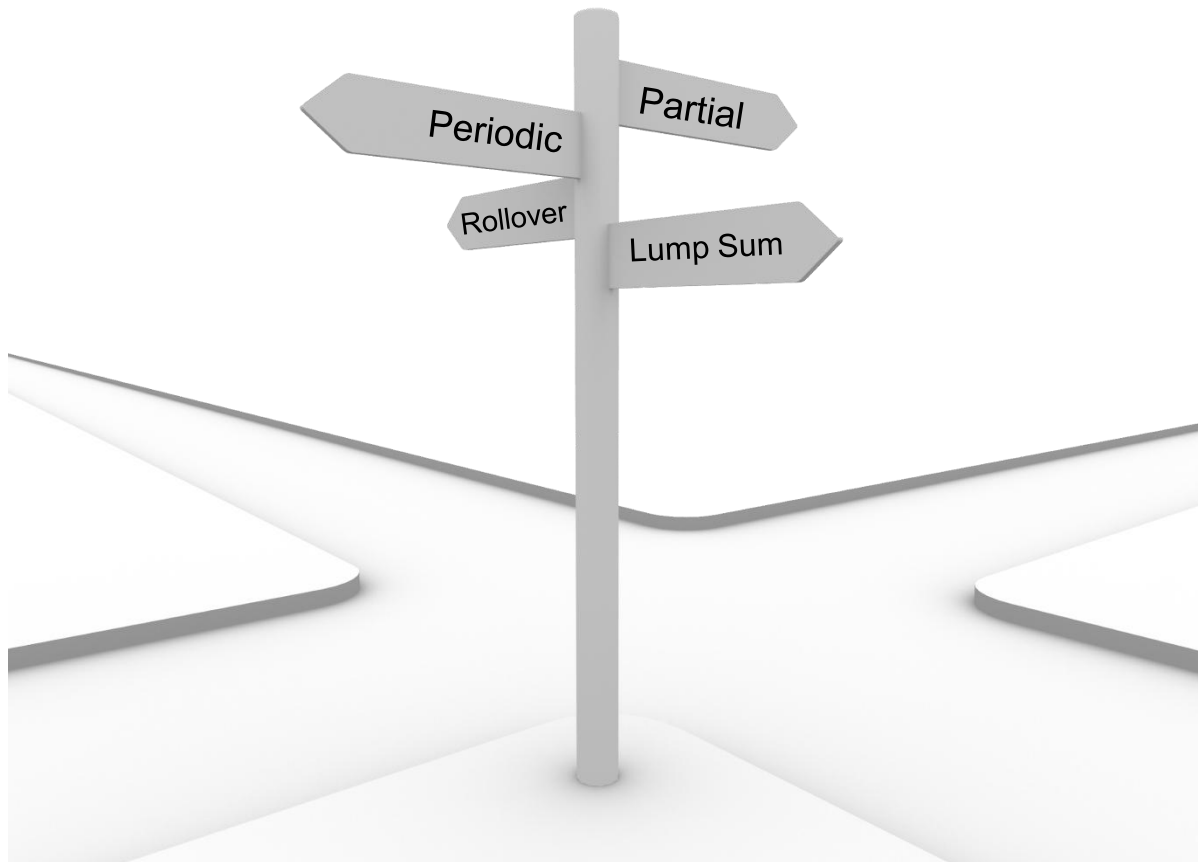
Examples:

\$10,000 account balance = \$3.75 monthly fee

\$20,000 account balance = \$7.50 monthly fee

\$50,000 account balance = \$18.75 monthly fee

DISTRIBUTION OPTIONS



DISTRIBUTION OPTIONS

Benefits Of Staying In The Plan

Leave your money in the Texa\$aver Program

- Very competitively priced program
- Variety of payout options
- Texa\$aver Advisor Service
- Easy transfer among funds¹

You must start taking distributions at age 70½ if you are no longer employed by the State.

1 Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

DISTRIBUTION OPTIONS

WITHDRAWALS

Periodic withdrawals

- Choose monthly, quarterly, semi-annual or annual payments

Partial withdrawals

- Receive a portion of your savings

Lump sum

- Take a full withdrawal of your savings

Rollover

- Transfer your savings directly to another qualified plan or IRA
- You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

Withdrawals may be subject to ordinary income tax. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account.

DISTRIBUTION OPTIONS

“Qualified” Roth Distribution

401(k) “qualified” Roth distribution

- Made after five taxable years of Roth participation **and** is either:
 - Made on or after the date the employee attains age 59½;
 - Made after the employee’s death; or
 - Attributable to the employee being disabled.

457 “qualified” Roth distribution

- Made after five taxable years of Roth participation **and** is either:
 - Made on or after the date the employee attains age 59½ and has separated from employment;
 - Made after the employee’s death; or
 - Attributable to the employee being disabled.

Remember, you must otherwise meet one of the general plan distribution events before you can take a distribution of Roth contributions. The information above discusses when a distribution is “qualified,” which determines whether the earnings on your Roth contributions are taxed.

ACCOUNT INFORMATION



ACCOUNT INFORMATION

Keeping Your Account Current

Beneficiary designation

- Beneficiary Form (signed and mailed to Texa\$aver)

Change of address

- Active members, retirees or members no longer employed by the State
- Log in at **www.ers.state.tx.us** or call toll-free **(877) 275-4377** to make ERS updates.
- Visit **www.texasaver.com** or call **(800) 634-5091** to update Texa\$aver contact information.
- For hearing impaired or deaf callers only, call **7-1-1** or **(800) 735-2989**.

Manage your investments

- Quarterly statements
- Rebalancer¹

¹ Rebalancing does not ensure a profit and does not protect against loss in declining markets.

ACCOUNT INFORMATION

Additional Resources

Texa\$aver National Customer Service Center: **(800) 634-5091**

- Representatives available Monday-Friday, 8 a.m. - 7 p.m. CT
- Automated line available 24/7

Website: **www.texasaver.com**

- Available 24/7
- Contains a wealth of information, tools and resources to help you make the most of your plan.

This material has been prepared for informational and educational purposes only. It is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice.

Core securities, when offered, are offered by Texa\$aver Program through GWFS Equities, Inc.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services. Core investment options are offered through mutual funds; separately managed accounts and/or collective trust funds.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY, and their subsidiaries and affiliates. Other than those owned by Texa\$aver Program or indicated otherwise, the trademarks and service marks and design elements used are owned by GWL&A.

Texa\$aver Advisor Service offered by Advised Assets Group, LLC, a registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice, or act in a fiduciary capacity, for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed. Form CB1110BW AM221168-0717